

2/2/12

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DATE PREPARED: March 07, 2012
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LB 1079

Revision: 01

Revised on 3/7/12 based on amendments adopted through 3/6/12.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$200,000		\$200,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$200,000		\$200,000	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1079, as amended, creates a competitive grant program to provide funds to establish bridge programs. The State Department of Education (NDE) is to establish an application process for awarding grants for bridge programs. A bridge program is a structured career pathway program developed in partnership among a basic skills education provider, an Adult Education provider and a nonprofit organization which assists students in obtaining academic, employability, and technical skills needed to enter and succeed in postsecondary education and training and the labor market.

The Department of Health and Human Services (HHS) is to cooperate with applicants and recipients of bridge grants to pursue federal funding under the Supplemental Nutrition Assistance Program Employment and Training Plan and the Temporary Assistance to Needy Families Program. Grant recipients are to report data to NDE regarding outcomes of participants. The grant program is to be funded from the Education Innovation Fund. The bill terminates on June 30, 2015.

Aid Expenditures: The bill provides for \$200,000 of cash funds to be appropriated from the Education Innovation Fund in FY13, FY14 and FY15 for the grants. NDE estimates the cost of a bridge program to range from \$50,000 to \$95,000, so the aid funds will provide funding for two to three grants in the initial year. In the succeeding two years, the department projects grants of \$50,000 to \$75,000 to sustain each of the first year grant recipients and the remaining funds will be used for new grantees.

Operations Expenditures: NDE indicates that up to \$20,000 of federal adult education state leadership funds may be available for two years to provide technical assistance and project evaluation of bridge programs, so no additional funds need to be appropriated for operations of the department. It is assumed the federal adult education funds will also be available in the final year of the grant program. The bill will have no fiscal impact for HHS.

Education Innovation Fund: It should be noted the Education Innovation Fund is currently earmarked per statute for various education programs and initiatives through FY2015-16. LB 1079 amends these provisions to include aid for bridge programs as the next to last priority in the annual allocation of the fund for the three year period. Beginning in FY2016-17, current law removes the earmarking of lottery funds for the various programs and provides for the Legislature to determine the use of the fund for education purposes.

A cash flow analysis of the fund shows a projected balance of \$5.12 million in the fund on June 30, 2016. However, it should be emphasized that funding for currently earmarked programs may be insufficient if: lottery receipts do not increase as projected; incentives provided for distance education courses exchanged in the state increase more than projected; or, additional programs such as the grants required by LB 1079 are authorized from the fund. The estimated FY16 ending cash fund balance will be reduced to \$4.47 million at the funding levels assumed in the bill.

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LB⁽¹⁾ 1079 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Education

Prepared by: ⁽³⁾ Vicki Bauer/Sharon Katt

Date Prepared: ⁽⁴⁾ 2/28/2012

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2012-2013</u>		<u>FY 2013-2014</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	200,000		200,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The \$200,000 allocated for each year would be used for aid to create/maintain bridge programs. With the amendments proposed to LB 1079, over the three-year proposed pilot funding, the cash funds would provide funding for 2-3 startup grants and 2-3 sustaining grants. A new bridge program cost is estimated to range from \$50,000 - \$95,000, and \$50,000 - \$75,000 is required to sustain a program.

Up to \$20,000 in federal Adult Education State Leadership funds may be available for two years to provide technical assistance and project evaluation, both essential components of the pilot bridge programs. Examples of technical assistance provided by the federal funds would include program planning and professional development activities for pilot staff, as well as partner meetings for planning and implementation.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2012-2013</u>	<u>2013-2014</u>
	<u>12-13</u>	<u>13-14</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			200,000	200,000
Capital improvements.....				
TOTAL.....			200,000	200,000